THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD): (a) to (d) The National Mineral Policy of 1993 recognised the need for encouraging private investment including foreign direct investment and State-of-the-Art technology in mineral sector, and had *inter-alia* stated that induction of foreign technology and foreign participation in exploration and mining for high value and scarce minerals shall be pursued.

Accordingly, 13 minerals hitherto reserved for public sector were thrown open for private investment. These included iron ore, manganese ore, chrome ore, sulphur, gold, copper, lead, zinc, molybdenum, tungsten, diamond, nickel and platinum group of metals. Further, restriction on foreign equity holding in mining sector companies registered in India had been removed in 1994. At present, in line with the policy of the Government to encourage private investment in the mining sector, including foreign investment, all proposals for foreign direct investment in the mining sector arc eligible for automatic approval, except for precious stones and diamonds, for which automatic approval for foreign direct investment is permissible up to 74% and except also for fuel and atomic minerals, for which a separate Foreign Direct Investment Policy applies.

Revision of Coal Royalty Rates

307. SHRI C.P. THIRUNAVUKKARASU^Will the Minister of COAL AND MINES be pleased to state:

(a) whether it is a fact that the State Governments are requesting for revision of coal royalty rates;

(b) if so, Government's reaction thereto;

(c) whether any Committee has been set up to look into the issue; and

(d) if so, whether any report has been submitted to Government?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD): (a) to (d) Yes,

Sir. Some of the coal producing States have been representing for revision of coal royalty rates. A Committee under the Chairmanship of Additional Secretary (Coal) has been appointed to consider the revision of royalty rates on coal. The Committee is expected to submit its report shortly.

Creation of dual price and distribution structure for Coal

308. SHRI RUMANDLA RAMACHANPRAIAH: Will the Minister of COAL AND MINES be pleased to state:

(a) whether Government are planning to create a dual price and distribution structure for (ex-pithead) coal for core and non-core sector consumers;

(b) if so, whether this proposal was discussed by the Union Government wtih office-bearers of the All India Brick and Tile Manufacturers Federation;

(c) if so, whether under the scheme, the core sector comprising thermal power houses, cement, steel and fertilizer manufacturers will be offered coal at fixed rates and on priority basis; and

(d) if so, to what extent, this dual pricing system for core, non-core coal have been welcomed by the users?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD): (a) to (d) Consequent upon total decontrol of coal price w.e.f. January 1, 2000, coal pricing mechanism has been made flexible and coal prices of different grades, sizes produced in different coalfields and subsidiary companies are decided based on market driven considerations. The subsidiary companies of Coal India Limited (CIL) have the authority to fix price for coal sold under Open Sale Scheme (OSS) which will be not less than the price as notified by CIL. As such, different price structure for coal has existed in the past. CIL Board has now authorized the subsidiary companies to fix prices of coal and criteria for distribution as per prevailing market conditions. CIL and its subsidiary companies give priority to core sector in distribution of coal in line with the policy of Government.